Delaware DNREC

Energy Efficiency Investment Fund

Program Guidelines and

Operational Procedures

Version 4.0

Effective January 2023

DELAWARE DEPARTMENT OF
NATURAL RESOURCES AND
ENVIRONMENTAL CONTROL

Table of Contents

1.0 Purpose

The purpose of these guidelines is to define procedures relating to the Energy Efficiency Investment Fund (EEIF, also referred to as "Fund," or "program"). The goal in establishing these guidelines is to provide a streamlined procedure for administering and distributing program funds.

These guidelines provide rules of practice and procedures for grant applications and disbursement of grants for energy efficiency projects in Delaware.

2.0 Statutory Authority

These guidelines are disseminated under authority of 29 Delaware Code, Section 8030.

3.0 Energy Efficiency Investment Fund Statute and Appropriations

3.1 Statute

Amendments to 29 Del.C. §8030 and 30 Del.C. §5502 of the Delaware Code established the Energy Efficiency Investment Fund (EEIF). Under these titles, the State shall transfer in each fiscal year the first $5,000,000 in tax receipts received under 30 Del.C. Ch. 55 that would otherwise be deposited to the General Fund to EEIF maintained by the Department of Natural Resources and Environmental Control (DNREC) pursuant to Chapter 80 of Title 29.

The EEIF program promotes the use of energy efficient technologies by Delaware non-residential (commercial and industrial) customers that are users of gas or electricity whose purchase of those commodities from a distributor is subject to the public utility tax on gas or electricity. For more information on who pays the public utility tax, please see the Public Utilities chapter of the Delaware State Code (30 Del.C. Ch. 55).

According to 29 Del.C. §8030, DNREC shall give preference to those applications proposing projects that are anticipated to produce the greatest reduction in energy consumption per Fund dollar invested, improve environmental performance, spur capital construction and facility modernization, encourage job retention and creation, and are likely to be substantially complete no later than one year following the issuance of financing from the Fund.

3.2 Appropriations

DNREC is the designated recipient and administrator of several funding streams, each having specific disbursement requirements and customer eligibility. EEIF is currently funded by the public utility tax (PUT). Additional funding sources such as the Regional Greenhouse Gas Initiative (RGGI) may become available periodically.

3.2.1 Public Utility Tax (PUT)

Funds from the public utility tax are required for the benefit of the energy consumers that pay for the funds. All non-residential entities that pay the PUT are eligible for PUT funding. While most electric distribution companies in the State of Delaware clearly label this charge as "PUT" on their monthly invoices, some municipal electric companies code this tax differently on their bills (e.g. - "Commercial Tax", "Utility Tax", etc.). Applicants with questions about whether they pay the PUT are encouraged to reach out to the EEIF program implementation team prior to submitting an application to confirm eligibility for grant funding.

3.2.2 Limitation of Funds

All potential funding sources are subject to change based on availability. Every funding source will follow EEIF program requirements and the grant payment structure. The various sources of additional funding not pertaining to the PUT are all limited and should be considered one-time monies. The applicant shall follow program guidelines to ensure reservation of funds prior to any equipment purchase or installing a qualifying system.

4.0 Delaware Energy Efficiency Investment Fund

4.1 General Provisions

All grants are on a first-come first-served basis. With the exception of energy assessments, in no event shall the Fund provide grant funding for more than 30% of the energy efficiency related costs of any proposed project nor support projects already receiving support from the Green Energy Fund under this chapter or the Strategic Fund under subchapter I-B of Chapter 50, Title 29 of the Delaware Code. DNREC reserves the right to suspend, terminate, or modify the Fund at any time. DNREC may change program requirements, eligible measures, or grant amounts at any time. DNREC is not obligated to approve any submitted application that may result in exceeding the program budget. In the event of a program change, submitted applications will be processed according to program terms at the time of application pre-approval. Applicant (building owner) or contractor on behalf of applicant is fully responsible for providing a complete application and supporting documentation. Incomplete or missing information will delay and/or cancel processing of application.

All equipment must be new, purchased and installed before the grant payment can be issued. DNREC does not endorse any particular contractor, manufacturer, product, or system in promoting this program.

The applicant agrees to allow DNREC or its program evaluator to have access to the awarded facility's energy use data for a period of at least two years following installation of the incentivized measures. Additionally, applicant agrees to DNREC publicly publishing awardee details such as but not limited to: total grant award amount, facility address, total project cost, fuel type, energy provider, fund appropriation, date completed, project type, dollar savings per year, and applicant approved facility photographs.

4.1.1 Pre-Approval

Pre-approval is highly encouraged for **all** projects to ensure an applicant's proposed project is eligible for grant funds and to reserve eligible funds. Applicants not gaining EEIF pre-approval before materials are ordered, installed, or services performed assume full risk of project ineligibility and/or exhausted funds.

4.1.1.1 – Pre-approval (Optional): Prescriptive projects and Energy Assessments requesting a grant award may apply for grant funds within 30 days of final invoice date or site audit. By foregoing pre-approval, the applicant acknowledges DNREC in no way guarantees project eligibility or grant fund availability prior to installation or services rendered. Additionally, the supplied customer contact, if other than the applicant, must verify approval of the application submission by signing the application submitted.

4.1.1.2 – Pre-approval (Required): All Custom projects and all CHP projects require pre-approval from DNREC prior to the installation of any materials. Upon pre-approval, equipment must be new, purchased, and installed before the grant payment can be issued. Both payment and commitment of grant are subject to availability of program funds.

DNREC will provide designated grant payments for qualifying equipment. Applications for grants are subject to approval by DNREC and DNREC reserves sole discretion to accept or reject any application under the Fund. DNREC makes no commitment to provide grant payment prior to final application approval.

4.1.2 Inspections

All applications are subject to pre-installation and/or post-installation inspections at the discretion of DNREC. All customers agree to allow access to proposed and installed equipment for the purposes of inspection and verification. If DNREC determines that the customer eligibility, proposed equipment, or installed equipment does not meet the program's criteria, DNREC may withhold payment of the grant amount and/or require changes before issuing payment.

4.1.3 Invoices and Other Final Documentation

After the applicant completes the installation, the customer or contractor performing services on behalf of the customer must provide copies of all itemized invoices and other documentation that verify the costs of purchasing and installing all qualifying equipment including material and installation costs. Invoices must be itemized for all eligible equipment. At the time of project completion quotes cannot be accepted, itemized invoices are required, and the applicant must highlight any changes in the project scope on those invoices from the proposed quote which may result in an adjustment of the approved grant amount. Proof of payment must be submitted prior to grant payment being issued.

4.1.4 Program Limits

The Fund will not pay more than 30% of the energy efficiency related project cost for any proposed project as detailed on itemized invoices (see exception for Energy Assessment Pathway in section 5.3). Program funds are limited. Grant awards will not exceed $250,000 per individual address per calendar year. DNREC reserves sole discretion to adjust the program grant caps. Particular consideration will be placed on organizations that support DNREC's commitment to helping vital, yet vulnerable sectors of the community, including: minority, women, and veteran owned businesses; small businesses (defined by the Delaware Dept. of Small Business as 100 employees or less); nonprofit organizations; educational institutions; state agencies; and local governments. To ensure availability, funding must be reserved prior to purchasing any equipment or beginning an audit or energy study.

4.1.5 State Energy Program Revolving Loan Fund

The State Energy Program Revolving Loan Fund (SEPRLF) can be used to supplement an EEIF grant or as a stand-alone loan. The program offers low-interest loans for installation of energy efficiency measures that, in turn, lower their bills while reducing the environmental impacts of energy production, delivery, and use. Applicants can be from the commercial, industrial, nonprofit, schools, local government, agricultural, and institutional sectors. Underwriting is done in house by DNREC thereby allowing for greater flexibility in loan terms and conditions. Loan approval will not compromise an applicant's EEIF grant amount, meaning that loans can be used in combination with a grant to help pay the balance of the project cost. To apply for a loan, applicants need to include a detailed project description as well as documented energy savings.

4.2 Eligibility
The EEIF Program is available to all non-residential, commercial, industrial, local government, governmental, and non-profit entities in the State of Delaware that pay the PUT. PUT payment will be verified by DNREC via customer utility bill(s) provided during application. Both retrofit and new construction projects are eligible for EEIF grants through all pathways.

4.3 Permits
All EEIF applicants must attest to obtainment of all relevant permits from DNREC and all other necessary state, local, regional, and federal permits during the application process.

4.4 Warranties, Insurance and Licensure
All qualifying systems receiving an EEIF grant must have a full 3-year warranty against component failure, malfunction, and premature output degradation. Applicant if fully responsible for meeting this requirement and DNREC reserves the right to request proof of warranty prior to payment. The warranty must cover all components for which the applicant is receiving grant money. DNREC neither expressly nor implicitly warrants the performance of installed equipment. Customers should contact their contractor for details regarding the equipment warranties.

Installing contractor, and anyone acting under its direction, shall at its own expense procure and maintain in full force at all times Commercial General Liability Insurance with a bodily injury and property damage combined single limit of liability of at least one million dollars ($1,000,000) for any occurrence.

Installing contractors shall maintain appropriate education and licenses, industry certificates, and accreditations to ensure the program preserves the end-user's expectation of professional work. The installing contractor must have an active Delaware business license, Delaware trade specific license and training certificates.

Additional resources to provide or receive licensure include:

- Confirm Delaware professional license: https://delpros.delaware.gov/OH_VerifyLicense
- Confirm Delaware business license: https://revenue.delaware.gov/business-license-search/
- Apply for Delaware License: https://onestop.delaware.gov/

4.5 Code Compliance
All qualifying systems must be installed in accordance with the standards and specifications of the manufacturers of the components in the system, in compliance with all federal, state, and local safety, building and environmental codes and ordinances and these guidelines. Where discrepancies, if any, exist with these guidelines and local codes, local codes shall govern.

With regard to Delaware's current building energy code, qualifying systems must exceed minimum code requirements in order to be considered for energy efficiency grant funds. For more on Delaware's energy codes, please see www.de.gov/energycodes.

All equipment must be tested to Underwriters Laboratory ("UL") standards, be UL listed and installed per manufacturer's instructions.

4.6 General Application Process

The applicant or contractor, acting on behalf of the applicant, should confirm that the proposed energy conservation measure (ECM) qualifies for an EEIF grant based on the program requirements. Then, submit a completed EEIF Grant Application through the EEIF Application Portal for their applicable EEIF Pathway ("pathway") with required supplementary documentation outlined in each pathway's Application Requirements Section. After an application is received, it is classified as 'pending' status, and will expire after 30 days if all missing documentation is not provided.

After receipt of the completed application and all required supplementary documentation, DNREC will evaluate the project for consideration of project pre-approval. The contractor and customer are fully responsible for ensuring that all forms and documentation have been supplied and the system meets all program requirements. If the requirements have been successfully met, a pre-approval letter will be issued by DNREC to the applicant. DNREC reserves the right to conduct an inspection of the existing systems prior to grant pre-approval.

Applicants are required to register as a supplier with the State of Delaware and fill out the DNREC eSupplier Information Sheet prior to final approval document submittal. The eSupplier Information Sheet, provided during pre-approval, should accurately match the information as it was entered in the eSupplier Portal. Supplier ID number, name of the payment recipient, and mailing address provided on the eSupplier Information Sheet will be confirmed against original project application prior to final payment review. Please note: If your business has previously registered and has an existing supplier ID, you will not be able to register again under the same tax ID. The business contact on file is required to retrieve an existing supplier ID number. For eSupplier portal issues contact FSF_Supplier_Maintenance@delaware.gov or (302) 672-5000.

After completing the installation of the project, the applicant or contractor acting on behalf of the applicant, must submit the final documents pertaining to the project outlined in their pathway's Application Requirements Section. DNREC will evaluate the project and the required accompanying documents for consideration of grant final approval. DNREC reserves the right to conduct an inspection of the systems prior to final grant approval.

DNREC will process the grant upon receipt of the final application package and all supporting documentation. DNREC will ordinarily process the payment to the applicant, however, if the applicant so designates on their application and documentation reflects the grant value was reduced directly from the purchase price, DNREC will process the payment to the specified retailer or installing contractor.

5.0 Delaware Energy Efficiency Investment Fund Pathways

There are four grant pathways available to Delaware non-residential entities with existing or new buildings tailored to differing needs and resources. All four pathways can be paired with the DNREC State Energy Program Revolving Loan Fund (SEPRLF) detailed in Section 4.1.5. Loan approval will not compromise an applicant's EEIF grant amount, meaning that loans can be used in combination with a grant to help pay the balance of the project cost. Applications for SEPRLF are available on the EEIF website (https://de.gov/eeif).

5.1 Prescriptive Pathway Grants

Prescribed measures contain technologies where energy savings can be predicted with reasonable accuracy across all applications. The technologies currently eligible for the program include lighting, HVAC & water heating, and appliances & food services equipment.

The program may modify or expand the list of eligible measures under the prescriptive grant pathway at any time. DNREC will notify applicants of any changes on the website and update any published materials.

5.1.1 Prescriptive Grant Limits

Program limits are detailed in Section 4.1.4. The grant for a prescriptive project will be paid per unit installed at a rate detailed in the corresponding prescriptive grant pathway application, up to 30% of the energy efficiency related costs, whichever is less. In no event shall DNREC pay a prescriptive rate more than the final unit price detailed on itemized quotes and/or invoices for equipment cost.

5.1.2 Accepted Prescriptive Products and Equipment

The following list details the products and equipment eligible for a grant under the Energy Efficiency Investment Fund Prescriptive pathway. All products must meet the technical requirements described below.

Lighting

All products must be UL listed and be installed according to local building codes. All products must be installed in such a way that the lighting power allowance complies with the current Delaware building codes.

To be eligible, products must be listed on the Energy Star Certified Light Bulbs list (energystar.gov/productfinder/product/certified-light-bulbs), Energy Star Certified Light Fixtures list (energystar.gov/productfinder/product/certified-light-fixtures), or the current Design Lights Consortium (DLC) qualified product list found here: www.designlights.org/search.

Reference the Prescriptive Lighting Rebate Table shown in Appendix A for incentive rebates per unit.

HVAC and Water Heating Equipment

All equipment must exceed energy code requirements (see 2018 IECC and ASHRAE 90.1 2016) and align with minimum efficiency tiers listed in the prescriptive applications.

Reference the Prescriptive HVAC Rebate Table shown in Appendix B for incentive rebates per unit.

Appliances & Food Services

All products must be listed on the Energy Star qualified product list and be installed according to local building codes.

Reference the Prescriptive Appliances & Food Services Rebate Table shown in Appendix C for incentive rebates per unit and requirements for each measure.

5.1.3 Prescriptive Application Requirements

Applications must be completely and accurately submitted before grants can be paid.

Required documentation includes:

Pre-Approval (Optional)

- Specification (cut) sheets and model numbers for all equipment
- Itemized quotes and estimates for all equipment and scope of work
- Project cost estimates
- One (1) month of electric and/or natural gas utility bills (DNREC reserves the right to request 12 consecutive utility bills)
- Completed EEIF energy savings calculator
- Construction drawings/documents (if new construction)

Final Approval

- Itemized invoices for all equipment and the scope of work
- Proof of payment
- Online registration through the State of Delaware eSupplier Portal (www.esupplier.erp.delaware.gov)
- Completed eSupplier Information Sheet
- Installer's Commercial General Liability Insurance certificate
- Installer's business and appropriate professional licenses for the State of Delaware
- If pre-approval was not obtained, one (1) month of electric and/or natural gas utility bills (DNREC reserves the right to request 12 consecutive utility bills)
- If pre-approval was not obtained, specification (cut) sheets and model numbers for all equipment
- If pre-approval was not obtained, completed EEIF energy savings calculator
- If pre-approval was not obtained, construction drawings/documents (if new construction)

Additional information may be requested upon review of initial proposal as deemed appropriate by DNREC.

5.1.4 Prescriptive Funds Reservations

Retrofit project funds for applicants that do pursue pre-approval will be reserved for 120 days on a first-come, first-served basis. Applicants may request a one-time extension for 60 days. Final itemized invoices, proof of payment, and supporting documents shall be submitted within the 120 days of the reservation date or funds will be forfeited. DNREC will determine if a reservation extension should be granted.

New construction project funds will be reserved for a time determined by DNREC commensurate with supplied construction timeline.

5.2 Custom Pathway Grants

The custom pathway grant option is designed to encourage non-standard energy efficiency measures, including measures not listed in the prescriptive pathway above and prescribed measures bundled into a comprehensive full facility upgrade that maximizes energy savings and cost-effectiveness. Projects qualifying under the custom pathway are generally more complex incorporating aggressive measures that permanently raise the efficiency levels beyond that of standard equipment. New construction project's energy savings will be determined as the difference between the proposed/installed ECM/system and the current locally adopted energy code baseline parameters.

Retro-commissioning (RCx) measures may be eligible for the custom pathway with restrictions as discussed in additional detail below. RCx measures include the optimization and fine-tuning of existing buildings and systems in order to make them operate optimally and more efficiently, typically through scheduling, sequencing, set point optimization, and controls programming strategies, focusing on the systems in place instead of replacing the existing systems through a retrofit.

"AC Tune-Up" measures (e.g. refrigerant charge adjustment, coil cleaning, airflow adjustment, etc.) for residential style AC units exceeding 65 kBTUh capacity per unit may be eligible for the custom pathway. These measures must be split into their respective activities performed and not bundled together – e.g. specific calculations for a refrigerant charge adjustment, calculations for an economizer repair, etc.

5.2.1 Custom Grant Limits

Program limits are detailed in Section 4.1.4. Custom grants are based on calculated energy and demand savings of retrofit projects, as well as cost-effectiveness and project comprehensiveness.

The custom incentive structure consists of three tiers which are determined by the comprehensiveness or number of end-uses involved in a project. Projects including only one (1) end use are eligible for the Single Tier incentive level (except lighting and RCx). To qualify for the Multi-Tier, a project must include a building energy management system (EMS) or contain at least two (2) end uses (see Section 5.2.2). A project including three or more (3+) end uses is eligible for the highest incentive level known as the Comprehensive Tier. End uses may be gas and/or electric.

Projects that solely deliver savings from retrofit lighting are not eligible for the custom grant pathway. A control system that only controls lighting is not an EMS. A control device/system that just establishes the space temperature and a setback temperature is not an EMS. To qualify as an end use for the Multi-Tier, 80% of the lighting must be dimmable as defined by the Design Lights Consortium (DLC). To qualify as an end use for the Comprehensive Tier, lighting must include fixture-integrated or networked lighting controls.

Projects that solely deliver savings from an RCx offering(s) are not eligible for the custom pathway. Preventative maintenance or system "tune-ups" are not RCx measures. To qualify for the custom pathway, the RCx measure must have been identified in an energy assessment/audit performed by a qualified professional. Additionally, RCx offerings are not eligible to "increase" the incentive tiers based on the number of end-uses, for example, a custom project with a space heating end use measure and RCx measure implementation would qualify for the "Single Tier" incentive rate and would require an additional end-use measure to qualify for the "Multi-Tier" incentive rate, or (2) more end uses for the Comprehensive Tier incentive rate.

The grant for a custom application will be paid at the following rates for each tier, up to 30% of energy efficiency related costs, whichever is less. Multi-tier and Comprehensive tier ECM's must all be complete and final approved to be paid at the tier level rate.

	Single Tier	Multi-Tier	Comprehensive Tier
Electric Incentive	$0.20 / kWh	$0.25 / kWh	$0.30 / kWh
Gas Incentive	$10 / MMBtu	$20 / MMBtu	$27 / MMBtu

Typically, the savings generated by these custom measures are site and end use specific and require a detailed analysis to qualify for a grant. Recognizing this, DNREC reserves the right to require a detailed system design and a predicted performance calculation verified by a professional engineer (P.E.).

All custom applications require documentation of the energy savings information. Acceptable forms of documentation include: energy modeling by a consultant or other third party, nameplate data on all existing systems, specification sheets for ALL proposed systems, signature by a licensed professional engineer (P.E.) and/or DNREC approved calculator tools. Failure to submit acceptable documentation will result in a determination of ineligibility. For example, ASHRAE 90.1-2010 Appendix G simulation may be used to demonstrate beyond-code energy performance, and ASHRAE's energy cost budget method may be used to demonstrate energy cost avoidances.

5.2.2 Accepted Custom End Uses and Example Measures

The table below provides a list of various building end uses eligible for custom grants, as well as examples of energy efficiency measures for these end uses.

Energy End Use	**Description** (consumption related to…)	**Example Measure**
Space Heating	heating interior building conditioned spaces	Steam / Boiler improvements
Space Cooling	cooling interior building conditioned spaces	Chillers
Ventilation	distribution of air to interior building conditioned space	Variable speed motors for fans
Domestic Hot Water	heating water for sinks, showers, and other plumbing fixtures	Service water heating improvements
Interior/Exterior Lighting	illumination for interior building spaces or exterior lighting fixtures	LED fixtures and lighting controls; Parking lot LED fixtures and lighting controls
Refrigeration	related to cold/freezer spaces	Adding door gaskets or suction pipe insulation for walk-in and reach-in coolers and freezers
Industrial Process	industrial functions such as compressed air systems	Aerator efficiency improvements at wastewater treatment plants
Plug Loads	appliances and equipment plugged into standard wall sockets	Smart power-strips, energy efficient office equipment, etc.
Whole Building*	multiple building energy end uses	Energy Management Systems (EMS) have the ability to impact several building energy end uses

The following are **not** eligible for the custom pathway grant:

- Routine maintenance procedures
- Renewable energy generation (e.g. wind, geothermal, solar, etc.)
- Industrial technologies not approved by nationally recognized laboratories
- Power conditioning/power factor equipment
- Equipment studies
- Projects that bring the building up to minimum code requirements
- Other restrictions as deemed appropriate by DNREC

5.2.3 Custom Application Requirements

Applications must be completely and accurately submitted before grants can be paid.

Required documentation includes:

Pre-Approval

- Specification (cut) sheets for all equipment
- Technical data and testing laboratory information
- Itemized quotes and estimates for all equipment and scope of work
- 12 consecutive electric and/or natural gas utility bills
- Completed EEIF energy savings calculator and/or energy saving calculations
- Project schedule including detailed milestones.
- Construction drawings/documents (if new construction)

Final Approval

- Itemized invoices for all equipment and the scope of work
- Proof of payment
- Online registration through the State of Delaware eSupplier Portal (www.esupplier.erp.delaware.gov)
- Completed eSupplier Information Sheet
- Installer's Commercial General Liability Insurance certificate
- Installer's business and appropriate professional licenses for the State of Delaware

Additional information may be requested upon review of initial proposal as deemed appropriate by DNREC.

5.2.4 Custom Funds Reservations

Project funds will be reserved for 12 months on a first-come, first-served basis. The applicant may request a one-time extension for 60 days. Final itemized invoices, proof of payment, and supporting documents shall be submitted within the 12 months of the reservation date or funds will be forfeited. DNREC will determine if a reservation extension should be granted.

5.3 Energy Assessment Pathway Grants

For businesses in need of technical assistance to evaluate their facility for cost effective energy efficient upgrades, grants are available to help with the cost of the audit, feasibility study, and project design. Energy assessment grant payment is structured to encourage identification and installation of identified ECM's.

5.3.1 Energy Assessment Grant Limits and Participation

Program limits are detailed in Section 4.1.4. An applicant's contractor may perform a targeted or comprehensive energy assessment (audit), create a facility's energy assessment report, and submit an Energy Assessment application with all required documentation and supporting calculations discussed on the application within 30 days of audit completion. DNREC will review and coordinate with the applicant on any additional information needed to evaluate the application for approval. If the application is approved, EEIF may award the customer up to the lesser of (1) 50% of the cost of their energy audit or (2) the audit caps of $5,000 for a targeted energy audit or $10,000 for a comprehensive energy audit (see 5.3.2 below for definitions of each audit type). An additional amount, up to $5,000 for targeted audits and up to $10,000 for comprehensive audits, may be available for applicants who implement measures identified through their assessment AND complete a Prescriptive, Custom or CHP EEIF project. To qualify for the additional audit fund reimbursement, the implemented ECM grant award must exceed that of the total energy assessment grant.

Initial funds will be awarded upon assessment application final approval. Assessment application final approval and grant award does NOT replace the required application for pre-approval prior to ECM installation to reserve award funds. Additional audit grant funds must be requested in writing along with documents submitted for final approval for the Prescriptive, Custom, or CHP EEIF grant. If submitted ECM's receive final approval from DNREC, the remaining audit funds will be included with the ECM award payment.

DNREC limits the number of energy audits per facility address or contiguous structure to one (1) paid assessment every calendar year unless the facility changes ownership or operational use. DNREC reserves the right to determine qualifying energy conservation measures or timelines for additional grant payments on a case-by-case basis.

5.3.2 Accepted Audits

Single-Purpose or Targeted Energy Audit

A single-purpose or a targeted energy audit will provide a detailed analysis on one or more types of projects. Audit types included but are not limited to a focused analysis on lighting, energy management systems, variable speed drives, refrigeration systems, boiler/chiller replacements, thermal energy storage systems, energy generation, or a combination of these projects.

Comprehensive Energy Audit

A comprehensive energy audit will provide a detailed analysis of a facility and potential projects. The audit will include the interactive effects of the projects and account for the energy use of all major equipment while providing detailed energy cost savings calculations and installed project costs. Comprehensive audits typically use computer models such as DOE-2, Trane/Trace, or equivalent packages to simulate building and equipment operations based on weather, equipment set points, and hours of operation.

Recognizing that a comprehensive audit evaluates all major energy using systems, the audit will include an implementation plan for the facility upgrades. The audit must comply with ASHRAE Level II audit requirements. Systems eligible for a comprehensive audit include, but are not limited to:

- Building envelope
- Lighting

- Domestic hot water
- HVAC and controls
- Combined heat and power

5.3.3 Energy Assessment Application Requirements

Applications must be completely and accurately submitted before grants can be paid.

Required documentation includes:

Pre-Approval (Optional)

- Audit proposal detailing estimates of audit and scope of work
- 12 months of electric and/or natural gas utility bills

Final Approval

- Itemized invoices for all equipment and audit scope of work
- Proof of payment
- Online registration through the State of Delaware eSupplier Portal (www.esupplier.erp.delaware.gov)
- Completed eSupplier Information Sheet
- Auditor's Commercial General Liability Insurance certificate
- Auditor's appropriate training certificates and State of Delaware business license
- If pre-approval was not obtained, 12 months of electric and/or natural gas utility bills
- The completed energy study, which shall include all requirements needed for the prescriptive and custom grants including the following:
    1. Executive Summary
    2. Technical Information and Analysis
        a) Description of the project and proposed energy saving measure
        b) Base case information
        c) Enhanced case information
        d) Estimated energy and demand savings associated with the proposed project
        e) Any applicable figures and tables
        f) Simple payback period and/or life cycle costs
        g) Estimated costs including design, materials, and installation
    3. Conclusions and Recommendations
        a) Findings and key points summarized
        b) Recommendations should be evaluated separately and combined in the enhanced case
    4. Appendix
        a) Engineering assumptions and supporting information
        b) Building data and plans
        c) Cost assumptions
        d) Publication information for each source cited in the "Technical Information" section of the report
        e) Listing of the publication title, author, place of publication, page numbers, and date of publication

5.3.4 Energy Assessment Funds Reservations

Energy Assessment funds for applicants that do pursue pre-approval will be reserved for 120 days on a first-come, first-served basis. Applicants may request a one-time extension for 60 days. Final itemized invoices, proof of payment, and supporting documents shall be submitted within the 120 days of the reservation date or funds will be forfeited. DNREC will determine if a reservation extension should be granted.

5.4 Combined Heat and Power (CHP) Grant Pathway

The combined heat and power (CHP) pathway is designed to encourage the development of CHP in Delaware. Unlike traditional systems that produce electricity and heat separately, CHP, or cogeneration, is the concurrent production of electricity and useful thermal energy from a single source of energy. CHP systems are ideal for businesses with high annual hours of operation and a high thermal load. CHP systems yield increased energy efficiency, reduction in energy operating costs, and improvements in energy resiliency.

5.4.1 CHP Grant Limits

Program limits are detailed in Section 4.1.4. Grants for CHP projects will be paid at a rate of $500/kW of the installed system, up to 30% of the energy efficiency related costs, whichever is less.

Eligible measures for installed costs are limited to Genset equipment, associated equipment (e.g. heat recovery jacket, switchgear, absorption chillers), installation costs, engineering and project management costs, and decommissioning costs of pre-existing equipment.

5.4.2 Accepted CHP Products and Equipment

The following CHP system designs are eligible for review. Professional Engineer (P.E.) signatures are required for the design portion of the project:

- Reciprocating Engine
- Microturbine
- Steam Turbine
- Gas Turbine
- Fuel Cells

Equipment must be new and permanently installed, meet the minimum 60% annual efficiency requirement.

A decommissioning plan must be provided outlining the proper disposal and recycling details of any pre-existing equipment that will be removed.

Expansion of an Existing System

The incremental expansion of an existing CHP system is eligible. Grants will be calculated based on the incremental expansion of the system, not total system size. Equipment must be new and permanently installed.

Power Purchase Agreements

Third-party vendors and power purchase agreements (PPA) are eligible. The full power purchase agreement with final signatures must be provided prior to receiving grant payment.

Existing and Future Flood Risk Mitigation
Installations must be designed to avoid impacts from flooding, including future sea-level rise. Applicants are encouraged to utilize the Flood Risk Adaptation Map (FRAM) to determine whether the proposed site is within the 100-year, one-meter, sea-level rise floodplain. See site: http://www.firstmap.delaware.gov/FRAM. A flood risk mitigation plan must be submitted with the application as part of the proposed system design plan if the proposed project location is within the floodplain.

5.4.3 CHP Application Requirements

Applications must be completely and accurately submitted before any grant can be paid.

Required documentation includes:

Pre-Approval

- Specification (cut) sheets for all equipment
- Technical data and testing laboratory information
- Itemized quotes and estimates for all equipment and scope of work
- 12 consecutive electric and/or natural gas utility bills for each meter on site
- If enrolled in a third-party supplier agreement for electric and/or natural gas, 12 consecutive electric and/or natural gas supply bills for each meter on site
- Typical Day (Peak Day alone is not sufficient) Hourly Electricity and Heating Load Profile for the facility for each month of the year (based on metered data, utility 15-minute interval data, or estimated based on other documented facility usage data)
- Design plan with professional engineer signature showing waste-to-heat end use, make and model, operation schedule, and generation capacity
- Detailed energy model (showing monthly electrical generation, monthly heat recovery, avoided annual energy use, monthly fuel input, total annual fuel input, total annual avoided electricity and natural gas or other fuel consumption, and calculation of overall system efficiency)
- Installation schedule (outlining delivery dates for major components and showing full operation within a year of pre-approval)
- Decommission and disposal/recycle plan for removed equipment
- Interconnection agreement
- Measurement and Verification Plan (M&V) submitted as part of application (if system is greater than or equal to 800kW)
- Full power purchase agreement (PPA) and final signatures (if financed through a PPA)
- Flood risk mitigation plan as part of proposed system design plan (if project site is within 100-year, one-meter, sea-level rise floodplain)

Final Approval

- Itemized invoices for all equipment and the scope of work
- Proof of payment
- Online registration through the State of Delaware eSupplier Portal (www.esupplier.erp.delaware.gov)
- Completed eSupplier information sheet
- Installer's Commercial General Liability Insurance certificate
- Installer's business and appropriate professional licenses for the State of Delaware

- Finalized Interconnection Agreement with Proper System Inspections
- Commissioning Report

Additional information may be requested upon review of initial proposal as deemed appropriate by DNREC.

5.4.4 CHP Funds Reservations

Funds will be reserved for 18 months on a first-come, first-served basis. Final itemized invoices and supporting documents shall be submitted within 18 months of the reservation date or funds will be forfeited. If the project cannot be completed within the 18-month period of reservation and the applicant wishes for an extension, a milestone accomplishments report and form letter should be submitted to DNREC two months ahead of the reservation expiration date. DNREC reserves the right to either approve or deny any extension request based on currently available grant funds and/or milestone progress achievement.

6.0 Proprietary Application Usage Information

DNREC may make all applications submitted available to non-State personnel for the sole purpose of assisting in its evaluation of the applications. These individuals will be required to protect the confidentiality of any specifically identified proprietary information obtained as a result of their participation in the evaluation.

Proposals submitted may contain trade secrets and/or privileged or confidential commercial or financial information which the applicant does not want to be used or disclosed for any purpose other than evaluation of the application. The use and disclosure of such data may be restricted, provided the applicant follows DNREC's "Request for Confidentiality" procedure contained in DNREC's "Freedom of Information Act" or "FOIA" regulation. It is important to understand that this FOIA regulation's confidentiality procedure is a necessary part of this regulation in that any information submitted to DNREC is subject to public review unless deemed to be confidential by the Secretary in accordance with the criteria and procedures established in the FOIA regulation.

The burden lies with the applicant asserting the claim of confidentiality to meet the criteria established in the FOIA regulation.

7.0 Retirement and Disposal

The intent of the Energy Efficiency Investment Fund is to increase energy efficiency through retirement and replacement of inefficient equipment. The customer and contractor shall appropriately retire and dispose of any product replaced as a result of an Energy Efficiency Investment Fund grant.

The customer is responsible for the proper disposal or recycling of any waste generated as a result of the project, including the disposal of fluorescent lamps (which contain mercury) and ballasts suspected of containing PCBs. Any fluorescent ballast dated pre-1979 should be considered to contain PCBs unless otherwise labeled.

8.0 Dispute Resolution

Should an applicant be denied a grant and disagrees with outcome, the applicant must contact DNREC in writing. DNREC will respond within 10 days after the determination. Should

DNREC deem the application eligible, the application will be processed within the next 10 business days.

9.0 Tax Liability

The applicant is responsible for any tax liability imposed as a result of the payment of grants. Applicants are advised to contact a tax professional for more information.

Appendix A: Prescriptive Lighting Rebate Table

Measure Category	Measure	Incentive per unit	
Screw-In/Pine-Base lamps	A-Line (A19, A21, etc.)	$3.00	Bulb
Screw-In/Pine-Base lamps	Decorative (candle, globe, B-Shape, etc.)	$5.00	Bulb
Screw-In/Pine-Base lamps	PAR16 or MR16 (pin or GU10 base type)	$4.00	Bulb
Screw-In/Pine-Base lamps	PAR20 or R20 (screw-in)	$5.00	Bulb
Screw-In/Pine-Base lamps	PAR30 or BR30 or R30 (screw-in)	$6.00	Bulb
Screw-In/Pine-Base lamps	PAR38 or BR40 or R40 (screw-in)	$7.00	Bulb
Screw-In/Pine-Base lamps	G23 (2-pin)	$6.00	Bulb
Screw-In/Pine-Base lamps	G24 (2-pin or 4-pin)	$8.00	Bulb
Linear Lamps	T8 or T5	$5.00	Tube
Linear Lamps	U-Bend	$5.00	Tube
Mounted Fixture	Recessed or Surface-Mounted Downlight Fixture <3,000 lumens	$20.00	Fixture
Mounted Fixture	Recessed or Surface-Mounted Downlight Fixture ≥3,000 lumens	$40.00	Fixture
Mounted Fixture	Recessed or Surface-Mounted Downlight Fixture w/control <3000 lumens	$35.00	Fixture
Mounted Fixture	Recessed or Surface-Mounted Downlight Fixture w/controls ≥3000 lumens	$50.00	Fixture
Mounted Fixture	Strip or Wrap Fixture	$30.00	Fixture
Mounted Fixture	Strip or Wrap Fixture w/ controls	$45.00	Fixture
Mounted Fixture	Stairwell Fixture (bilevel capable) <55 watts	$75.00	Fixture
Case and Track Lighting	Refrigerated, Freezer, or Display case	$15.00	Foot
Case and Track Lighting	Track Lighting (DLC Standard)	$25.00	Head
Case and Track Lighting	Track Lighting (DLC Premium)	$35.00	Head
Troffer and Panel Fixtures and Retrofit Kits	1x4, 2x2, 2x4 Troffer or Panel (DLC Standard)	$20.00	Fixture
Troffer and Panel Fixtures and Retrofit Kits	1x4, 2x2, 2x4 Troffer or Panel (DLC Premium)	$25.00	Fixture
Troffer and Panel Fixtures and Retrofit Kits	1x4, 2x2, 2x4 Troffer or Panel w/ controls (DLC Standard)	$85.00	Fixture
Troffer and Panel Fixtures and Retrofit Kits	1x4, 2x2, 2x4 Troffer or Panel w/ controls (DLC Premium)	$100.00	Fixture
High-Bay and Low-Bay Fixtures	high/low-bay <15,000 lumens	$75.00	Fixture
High-Bay and Low-Bay Fixtures	high/low-bay ≥15,000 and <30,000 lumens	$100.00	Fixture
High-Bay and Low-Bay Fixtures	high/low-bay ≥30,000 lumens	$125.00	Fixture
High-Bay and Low-Bay Fixtures	high/low-bay w/ controls <15,000 lumens	$100.00	Fixture
High-Bay and Low-Bay Fixtures	high/low-bay w/ controls ≥15,000 and <30,000 lumens	$125.00	Fixture
High-Bay and Low-Bay Fixtures	high/low-bay w/ controls ≥30,000 lumens	$150.00	Fixture
High-Bay and Low-Bay Fixtures	low-bay mogul 5,000 - 9,999 lumens	$55.00	Fixture
High-Bay and Low-Bay Fixtures	high-bay mogul ≥10,000 lumens	$75.00	Fixture
Outdoor Fixtures	Outdoor Fixture <15,000 lumens	$75.00	Fixture
Outdoor Fixtures	Outdoor Fixture ≥15,000 and <30,000 lumens	$100.00	Fixture
Outdoor Fixtures	Outdoor Fixture ≥30,000 lumens	$150.00	Fixture
Parking Garage Fixtures	Parking Garage Fixture <15,000 lumens (DLC Standard)	$75.00	Fixture
Parking Garage Fixtures	Parking Garage Fixture <15,000 lumens (DLC Premium)	$85.00	Fixture

Parking Garage Fixtures	Parking Garage Fixture ≥15,000 and <30,000 lumens (DLC Standard)	$125.00	Fixture
Parking Garage Fixtures	Parking Garage Fixture ≥15,000 and <30,000 lumens (DLC Premium)	$135.00	Fixture
Exterior Mogul Lamps	Mogul Lamp 250- <5,000 lumens (175w equiv.)	$60.00	Lamp
Exterior Mogul Lamps	Mogul Lamp 5,000 - <10,000 lumens (250w equiv.)	$70.00	Lamp
Exterior Mogul Lamps	Mogul Lamp ≥10,000 lumens (400w equiv.)	$80.00	Lamp
Exit Sign	LED Exit Sign	$35.00	Fixture
Lighting Controls	Daylight dimmer	$15.00	Control
Lighting Controls	Occupancy dimmer	$15.00	Control
Lighting Controls	Wall Mount Occupancy Sensor	$15.00	Control
Lighting Controls	Remote Mount Occupancy Sensor	$20.00	Control
Lighting Controls	Dual Sensor	$25.00	Control
Lighting Controls	Dual Sensor w/ Network Capability	$30.00	Control
Lighting Controls	Outdoor Integral Fixture w/ Programable Controller	$50.00	Control

Appendix B: HVAC & Water Heating Rebate Table

Air Conditioning Equipment			
Description	**Specification**	**Incentive per unit**	**Unit**
Air Conditioners	AHRI Certified, meets efficiency requirements from tables below	$ 100	Tons
Air Source Heat Pumps	AHRI Certified, meets efficiency requirements from tables below	$ 250	Tons
Ductless Mini-Split Heat Pumps	AHRI Certified, meets efficiency requirements from tables below	$ 300	Tons
Packaged Terminal Air Conditioner	AHRI Certified, meets efficiency requirements from tables below	$ 100	Tons
Packaged Terminal Heat Pump	AHRI Certified, meets efficiency requirements from tables below	$ 250	Tons
Chillers	AHRI Certified, meets efficiency requirements from tables below	$ 40	Tons
Natural Gas Heating Equipment			
Description	**Specification**	**Incentive per unit**	**Unit**
Furnace up to 150 MBH	95% AFUE or greater with ECM	$ 500	Each
Furnace up to 150 MBH	97% AFUE or greater with ECM	$ 800	Each
Condensing Unit Heater up to 300 MBH	90% or greater thermal efficiency	$ 750	Each
Infrared Heater, all sizes	Low Intensity	$ 750	Each
Condensing Boiler up to 300 MBH	90% AFUE or greater	$ 1,000	Each
Condensing Boiler up to 300 MBH	95% AFUE or greater	$ 1,500	Each
Water Heating Equipment			
Description	**Specification**	**Incentive per unit**	**Unit**
On-Demand Tankless with electronic ignition	UEF of 0.82 or greater	$ 500	Each
On-Demand Tankless with electronic ignition	UEF of 0.95 or greater	$ 800	Each
Commercial Heat Pump Water Heater	CEE Tier 3+ (UEF > 3.01+)	$ 300	Each
High Efficiency Indirect Water Heater	UEF of ≥0.82 OR combined appliance efficiency rating of ≥85%	$ 400	Each
Condensing Stand Alone 75 to 300 MBH	95% or greater thermal efficiency	$ 500	Each
High Efficiency Pre-Rinse Spray Valve	Low-flow pre-rinse spray valve, 0.75 - 1.6 gpm, CEE Tier 1 or CEE Tier 2 QPL	$ 25	Each
	Low-flow pre-rinse spray valve, less than 0.75 gpm, CEE Tier 2	$ 35	Each
Miscellaneous			
Description	**Specification**	**Incentive per unit**	**Unit**
Gas Boiler Pipe Insulation		$ 0.50	Lin-Ft
Air Compressor VSD	Constant speed compressor to VSD	$ 200	HP
After Market Boiler Reset Controls		$ 225	Each
Steam Trap Replacement/Repair	more than 70 per project requires pre-approval	$ 50	Each
Smart Thermostats	Heating and cooling systems <65,000 Btu/h	$ 50	Each
VFDs on HVAC	For HVAC Motors <200 HP, VFD retrofits not eligible	$50	HP

Exhaust Hood Demand Controlled Ventilation, Commercial	Must be capable of at least 50% reduction from maximum design speed via sensor controlled variable speed drives.	$ 750	HP
Dual Enthalpy Economizer		$ 50	Tons
AC Tune Up < 65,000 BTUh	Mandatory Actions for this prescriptive measure include: Air flow adjustments, Condensate drain line cleaning, Cleaning and straightening coils and fans, air filter replacement, refrigerant charge correction, and damaged insulation repair. Mechanical equipment must be in good condition (e.g. not end of life). Have equipment that is at least 2 years old. Have building systems that are relatively free of defect, with no major upgrades/replacements planned soon.	$ 50	Each

10.3 Appendix C: Appliances & Food Services Rebate Table

Measure Name	Requirements	Unit	Est. Incentive
Commercial Ice Machine	Ice Maker Head (IMH)	Each	$ 75.00
	Remote Condensing Unit (RCU)	Each	$ 75.00
	Self-Contained Unit (SCU)	Each	$ 100.00
Commercial Dishwasher - Low Temperature	Undercounter, EnergyStar QPL Listed	Each	$ 200.00
	Stationary Single Tank Door, EnergyStar QPL Listed	Each	$ 300.00
	Single Tank Conveyor, EnergyStar QPL Listed	Each	$ 300.00
	Multi Tank Conveyor, EnergyStar QPL Listed	Each	$ 400.00
Commercial Dishwasher - High Temperature	Undercounter, EnergyStar QPL Listed	Each	$ 500.00
	Stationary Single Tank Door, EnergyStar QPL Listed	Each	$ 500.00
	Single Tank Conveyor, EnergyStar QPL Listed	Each	$ 1,000.00
	Multi Tank Conveyor, EnergyStar QPL Listed	Each	$ 1,000.00
Commercial Freezer	EnergyStar Qualified, Vertical Door, Must use hydrocarbon natural refrigerants (R-290 or R-600a)	Each	$ 200.00
Commercial Clothes Washer	EnergyStar Qualified, MEF >= 2.2, WF <= 4.5	Each	$ 100.00
Combination Oven: Electric	Size less than 15 Pan Model, EnergyStar QPL Listed	Each	$ 1,000.00
	Size 15+ Pan Model, EnergyStar QPL Listed	Each	$ 2,000.00
Combination Oven: Gas	Size less than 15 Pan Model, EnergyStar QPL Listed	Each	$ 500.00
	Size 15+ Pan Model, EnergyStar QPL Listed	Each	$ 1,000.00
Convection Oven	EnergyStar QPL Listed, Full-Size	Each	$ 500.00
	EnergyStar QPL Listed, Half-Size	Each	$ 250.00
Conveyor Oven	Gas rack oven	Each	$ 750.00
Commercial Fryer	EnergyStar QPL Listed	Each	$ 500.00
Commercial Griddle	EnergyStar QPL Listed	Each	$ 175.00
Hot Food Holding Cabinet	EnergyStar Qualified, Full Size	Each	$ 250.00
	EnergyStar Qualified, Half-Size	Each	$ 250.00
Rack Oven: Gas	Commercial, Double-Rack	Each	$ 1,000.00
	Commercial, Single-Rack	Each	$ 500.00
Steamer Cooker	Must meet ENERGY STAR cooking efficiency and idle energy rate requirements	Each	$ 1,000.00
Night Cover for Refrigerated Cases		Lin-Ft	$ 20.00
Anti-Condensation Heater Controls - Low/Mid Temp	Must be humidity-based (anti-sweat) controls using a humidity sensor for on/off or micro pulse control. Must be a retrofit to existing units	Door	$ 50.00
Refrigeration Door Gasket Replacement	Replacing an old and/or damaged gasket	Door	$ 25.00